

IC 20-12-8

Chapter 8. Construction and Operation of Dormitories

IC 20-12-8-1

Construction, improvement, operation, and control of various facilities; acquisition of real and personal property for facilities; authorized

Sec. 1. (a) The trustees of Indiana University, the trustees of Purdue University, Indiana State University board of trustees, the University of Southern Indiana board of trustees, and the Ball State University board of trustees are authorized and empowered, from time to time, if the governing boards of these corporations find that a necessity exists, to erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control and manage:

- (1) dormitories and other housing facilities for single and married students and school personnel;
- (2) food service facilities;
- (3) student infirmaries and other health service facilities including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing;
- (4) parking facilities in connection with academic facilities; or
- (5) medical research facilities associated with a school of medicine, if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state

and with the seal of the state affixed to the deed.
(Formerly: Acts 1927, c.137, s.1; Acts 1959, c.27, s.1.) As amended by Acts 1979, P.L.215, SEC.2; Acts 1980, P.L.153, SEC.1; P.L.211-1989, SEC.1; P.L.173-2002, SEC.1.

IC 20-12-8-1.2

"Income" defined

Sec. 1.2. As used in this chapter, "income", with respect to any property, includes the sum of all mandatory student service fees collected for the use of the property and assessed against the students of the institution for the purpose of providing security for bonds issued under this chapter. The mandatory student service fees, once pledged in support of bonds issued under this chapter, shall be collected and treated as income as long as the original bond issue or any refunding or advance refunding of the bond remains outstanding, even in the absence of the property for the use of which these fees are collected.

As added by P.L.17-1987, SEC.15.

IC 20-12-8-1.3

"Net income" defined

Sec. 1.3. As used in this chapter, "net income" with respect to any property, means income minus the costs of operating, maintaining, and repairing of the property except where these costs are otherwise paid.

As added by P.L.17-1987, SEC.16.

IC 20-12-8-1.4

"Property" defined

Sec. 1.4. As used in this chapter, "property" means any facility that the trustees of Indiana University, the trustees of Purdue University, the University of Southern Indiana board of trustees, the Indiana State University board of trustees, or the Ball State University board of trustees is authorized to finance under section 1 of this chapter and under IC 20-12-9 by the issuance of bonds, refunding bonds, or advance refunding bonds.

As added by P.L.17-1987, SEC.17.

IC 20-12-8-2

Bonds authorized; issuance procedure; rates of interest

Sec. 2. (a) For the purpose of raising funds for the acquisition of property and the erection, construction, reconstruction, extension, remodeling, improvement, completion, equipping, and furnishing of property, the governing boards of the corporations, respectively, may issue and sell bonds of the corporations. The bonds and the interest on the bonds may be secured by pledge or mortgage of:

- (1) any property, real or personal, used or acquired or to be acquired and used for such purposes, and the improvements made or to be made on the property;
- (2) the net income from the property;

(3) the property and the net income from the property; or
(4) any unobligated net income of any property financed under this chapter;
as the governing boards may determine.

(b) The lien of the pledge or mortgage, to the extent of the lien, as determined and provided by the respective governing boards, and as authorized under this chapter, shall be a first and primary lien for the payment of the bonds and the interest on the bonds.

(c) The bonds may be issued for an amount or amounts as the governing boards shall determine. However, these amounts may not exceed:

(1) the total estimated cost of acquiring property for and erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, furnishing, and financing the proposed property as the respective governing boards determine the cost to be; plus

(2) incidental expenses, financing costs, underwriter's discount, funded or capitalized interest, municipal bond insurance premiums, or funding debt service reserve funds from bond proceeds.

(d) The bonds may be issued in the denominations and with the maturities as the respective governing boards determine, and, in the discretion of the respective boards, the bonds may be sold either at public or negotiated sale, as provided by IC 4-1-5-1. The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution or indenture authorizing the issuance of the bonds. Bonds bearing a variable rate of interest may be converted to bonds bearing a fixed rate or rates of interest to the extent and in the manner set forth in the resolution or indenture pursuant to which the bonds are issued. The interest may be payable semiannually, annually, or at any other interval or intervals provided in the resolution, or the interest may be compounded and paid at maturity or at any other time as specified in the resolution or indenture. The bonds may be made subject to redemption by the corporation at the times and under the circumstances set forth in the authorizing resolution or indenture.

(e) The bonds and the pledge or mortgage securing the bonds, shall be issued and made in the name, and on behalf of the respective corporations by the officer or officers as the governing boards respectively designate.

(Formerly: Acts 1927, c.137, s.2; Acts 1959, c.27, s.2.) As amended by P.L.18-1983, SEC.10; P.L.17-1987, SEC.18; P.L.47-1998, SEC.3.

IC 20-12-8-3

Liability of state or institutions for indebtedness limited

Sec. 3. No indebtedness, bond, or obligation incurred or created under the authority of this chapter shall be or become a lien, charge, or liability against the state of Indiana nor against the said respective corporations, nor against the property or funds of the state or said

respective corporations, except to the extent of the property or income authorized to be pledged or mortgaged.

(Formerly: Acts 1927, c.137, s.3.) As amended by P.L.2-1988, SEC.588.

IC 20-12-8-4

Utility services for facilities

Sec. 4. Said corporations may, in their discretion, furnish heat, light, power and other like services to any or all of said facilities with or without charge therefor.

(Formerly: Acts 1927, c.137, s.4; Acts 1959, c.27, s.3.)

IC 20-12-8-5

Tax exemptions

Sec. 5. All property acquired under authority of this chapter, or used for the purposes provided in this chapter, and all bonds issued under the authority given in this chapter, together with the interest thereon, shall be exempt from taxation.

(Formerly: Acts 1927, c.137, s.5.) As amended by P.L.2-1988, SEC.589.

IC 20-12-8-6

Approval of contracts by budget agency and governor

Sec. 6. No contracts to acquire land for or to construct, purchase, lease, sublease, or otherwise acquire, or to engage architectural or engineering services in connection with any facilities to be financed in whole or in part by the issuance of bonds under this chapter shall be made by any of said corporations without the specific approval of the budget agency and the governor of the state of Indiana. This section shall not apply to any contract relating to a facility, the cost of which does not exceed fifty thousand dollars (\$50,000).

(Formerly: Acts 1927, c.137, s.5a; Acts 1965, c.222, s.1.) As amended by P.L.2-1988, SEC.590.

IC 20-12-8-7

Approval of bond issue by state budget committee, budget agency, and governor

Sec. 7. No bonds shall be issued by said corporations under the provisions of this chapter without the specific approval of the state budget committee, budget agency, and the governor of the state of Indiana.

(Formerly: Acts 1927, c.137, s.5b; Acts 1965, c.222, s.2.) As amended by P.L.2-1988, SEC.591.

IC 20-12-8-8

Maximum aggregate principal amount of bonds

Sec. 8. The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds which any one (1) or more corporations may issue during the ensuing biennium under the provisions of this chapter.

(Formerly: Acts 1927, c.137, s.5c; Acts 1965, c.222, s.3.) As amended by P.L.2-1988, SEC.592.

IC 20-12-8-9

Actions to contest validity of bond; limitation

Sec. 9. No action to contest the validity of any bonds issued under this chapter shall be brought after the fifteenth day following:

- (1) the first publication of notice of the sale or intent to sell the bonds under IC 4-1-5, if the bonds are sold at public sale; or
- (2) the publication one (1) time in newspapers described in IC 4-1-5-1 of notice of the execution and delivery of the contract of sale for the bonds if the bonds are sold at negotiated sale.

The state university or college shall publish notice under subdivision (2) if the state university or college sells bonds at negotiated sales no later than thirty (30) days after the execution of the contract of sale for the bonds.

(Formerly: Acts 1927, c.137, s.5d; Acts 1965, c.222, s.4.) As amended by P.L.18-1983, SEC.11; P.L.17-1987, SEC.19.

IC 20-12-8-10

Supplemental effect of chapter

Sec. 10. This chapter shall not be construed to repeal, modify, or amend any law of this state in force on March 9, 1927, but shall be deemed as supplemental thereto.

(Formerly: Acts 1927, c.137, s.6.) As amended by P.L.2-1988, SEC.593.

IC 20-12-8-11

Prior contracts and bonds unaffected; limited applicability of chapter

Sec. 11. Nothing in this chapter shall be construed to affect the validity of any contracts executed prior to March 10, 1965, or the validity of any bonds contracted to be sold prior to March 10, 1965. This chapter shall not apply to any facilities approved by the budget agency or any predecessor thereto and the governor of the state of Indiana prior to March 10, 1965, or to any facilities for which temporary or interim financing commitments were made prior to March 10, 1965, or to the issuance of bonds for any such facilities.

(Formerly: Acts 1965, c.222, s.5.) As amended by P.L.2-1988, SEC.594.

IC 20-12-8-12

Effect of Acts 1977, P.L.250

Sec. 12. (a) Acts 1977, P.L.250 does not affect the issuance of bonds for projects approved by the state budget committee and the governor before July 1, 1977.

(b) The termination of bonding authority under Acts 1977, P.L.250 does not prevent, limit, or affect the issuance of bonds under IC 5-1-5.

As added by P.L.1-1989, SEC.42.